GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2361
ANSWERED ON:31.07.2017
Reduction in PF Contribution
Adhikari,Shri,Dibyendu

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government proposes to reduce the PF contribution of the employee to 10 percent from the existing 12 percent and if so, the details thereof;
(b)whether the Government also proposes to raise 14 percent contribution from the employer's account therein and if so, the details thereof; and
(c)the mechanism put in place by the Government to safeguard and protect the rights/interests of workers in the country?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a): With a view to bring contribution under Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 to be paid by employer and employee at par with other savings instruments like the National Pension System, Contributory Provident Fund etc., an agenda item for lowering the rate of contribution from the present 12 per cent to 10 per cent was deliberated in the 218th meeting of the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) held on 27.05.2017. All employees' and employers' representatives and State Government representatives were against reducing the rate of contribution from 12 per cent to 10 per cent.

(b): No, Madam.

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(c) The details of action taken by Employees" Provident Fund Organisation (EPFO) against the defaulting establishments to protect the interest of workers covered under the said Act are as under:
(i) Real time default management system has been implemented to reduce remittance default by establishments.
(ii) Action under section 7A of EPF & MP Act, 1952 against the defaulting establishments for assessment of dues.
(iii) Action under section 14B of the Act for levying of damages for belated deposit of dues.
(iv) Action under section 7Q of the Act for levy of interest for belated remittances.
(v) Action for recovery as provided under sections 8B to 8G of the Act.
(vi) Action under section 14 of the Act for filing prosecution against the defaulters before the competent court of law.
(vii) Action under section 406/409 of Indian Penal Code (IPC) against the employer for non-payment of employees' share of contribution deducted from the wages/salary of the employees but not deposited in the fund.

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